

west virginia department of environmental protection

Office of Oil and Gas 601 57th Street SE Charleston, WV 25304 (304) 926-0450 (304) 926-0452 fax Earl Ray Tomblin, Governor Randy C. Huffman, Cabinet Secretary www.dep.wv.gov

November 21, 2013

WELL WORK PERMIT

Horizontal 6A Well

This permit, API Well Number: 47-10302927, issued to STATOIL USA ONSHORE PROPERTIES, INC., is evidence of permission granted to perform the specified well work at the location described on the attached pages and located on the attached plat, subject to the provisions of Chapter 22 of the West Virginia Code of 1931, as amended, and all rules and regulations promulgated thereunder, and to all conditions and provisions outlined in the pages attached hereto. Notification shall be given by the operator to the Oil and Gas Inspector at least 24 hours prior to the construction of roads, locations, and/or pits for any permitted work. In addition, the well operator shall notify the same inspector 24 hours before any actual well work is commenced and prior to running and cementing casing. Spills or emergency discharges must be promptly reported by the operator to 1-800-642-3074 and to the Oil and Gas inspector.

Please be advised that form WR-35, Well Operators Report of Well Work is to be submitted to this office within 90 days completion of permitted well work, as should form WR-34 Discharge Monitoring Report within 30 days of discharge of pits, if applicable. Failure to abide by all statutory and regulatory provisions governing all duties and operations hereunder may result in suspension or revocation of this permit and, in addition, may result in civil and/or criminal penalties being imposed upon the operators.

In addition to the applicable requirements of this permit, and the statutes and rules governing oil and gas activity in WV, this permit may contain specific conditions which must be followed. Permit conditions are attached to this cover letter.

Per 35CSR-4-5.2.g this permit will expire in two (2) years from the issue date unless permitted well work is commenced. If there are any questions, please feel free to contact me at (304) 926-0499 ext. 1654.

James Martin

Chief

Operator's Well No: GREEN DOT UNIT II 3H

Farm Name: CRUPPENINK, QUENTIN

API Well Number: 47-10302927

Permit Type: Horizontal 6A Well

Date Issued: 11/21/2013

Promoting a healthy environment.

API Number: 103-02927

PERMIT CONDITIONS

West Virginia Code § 22-6A-8(d) allows the Office of Oil and Gas to place specific conditions upon this permit. Permit conditions have the same effect as law. <u>Failure to adhere to the specified permit</u> conditions may result in enforcement action.

CONDITIONS

- 1. This proposed activity may require permit coverage from the United States Army Corps of Engineers (USACOE). Through this permit, you are hereby being advised to consult with USACOE regarding this proposed activity.
- 2. If the operator encounters an unanticipated void, or an anticipated void at an unanticipated depth, the operator shall notify the inspector within 24 hours. Modifications to the casing program may be necessary to comply with W. Va. Code § 22-6A-5a (12), which requires drilling to a minimum depth of thirty feet below the bottom of the void, and installing a minimum of twenty (20) feet of casing. Under no circumstance should the operator drill more than fifty (50) feet below the bottom of the void or install less than twenty (20) feet of casing below the bottom of the void.
- 3. When compacting fills, each lift before compaction shall not be more than 12 inches in height, and the moisture content of the fill material shall be within limits as determined by the Standard Proctor Density test of the actual soils used in specific engineered fill, ASTM D698, Standard Test Method for Laboratory Compaction Characteristics of Soil Using Standard Effort, to achieve 95 % compaction of the optimum density. Each lift shall be tested for compaction, with a minimum of two tests per lift per acre of fill. All test results shall be maintained on site and available for review.
- 4. Operator shall install signage per § 22-6A-8g (6) (B) at all source water locations included in their approved water management plan within 24 hours of water management plan activation.
- 5. Oil and gas water supply wells will be registered with the Office of Oil and Gas and all such wells will be constructed and plugged in accordance with the standards of the Bureau for Public Health set forth in its Legislative rule entitled *Water Well Regulations*, 64 C.S.R. 19. Operator is to contact the Bureau of Public Health regarding permit requirements. In lieu of plugging, the operator may transfer the well to the surface owner upon agreement of the parties. All drinking water wells within fifteen hundred feet of the water supply well shall be flow tested by the operator upon request of the drinking well owner prior to operating the water supply well.
- 6. Pursuant to the requirements pertaining to the sampling of domestic water supply wells/springs the operator shall, no later than thirty (30) days after receipt of analytical data provide a written copy to the Chief and any of the users who may have requested such analyses.
- 7. If any explosion or other accident causing loss of life or serious personal injury occurs in or about a well or well work on a well, the well operator or its contractor shall give notice, stating the particulars of the explosion or accident, to the oil and gas inspector and the Chief, within 24 hours of said accident.
- 8. During the casing and cementing process, in the event cement does not return to the surface, the oil and gas inspector shall be notified within 24 hours.

STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS W.VA. CODE §22-6A - WELL WORK PERMIT APPLICATION

1) Well Operator: Statoil USA O	nshore Properties Inc.	494505083	Wetzel	Clay	Littleton 7.5'		
		Operator ID	County	District	Quadrangle		
2) Operator's Well Number:	Green Dot Unit II 3H	V	Vell Pad Nam	e: Green Dot Unit	t II		
3 Elevation, current ground:	tion:	1476' **already built**					
	Oil	Deep					
5) Existing Pad? Yes or No:	Yes						
6) Proposed Target Formation Marcellus Shale; Formation Top - 7596' To		ed Thicknesses and	d Associated	Pressure(s):			
7) Proposed Total Vertical De	•						
8) Formation at Total Vertical	*						
9) Proposed Total Measured D							
10) Approximate Fresh Water		0' - 320'					
11) Method to Determine Fres		cal water well data					
12) Approximate Saltwater De							
13) Approximate Coal Seam I	•						
14) Approximate Depth to Pos			N/A				
15) Does land contain coal sea	•	t to, active mine?	No				
16) Describe proposed well w	ork: Drill and stimulate a h	norizontal well in the Marce	llus Shale.				
17) Describe fracturing/stimulating methods in detail: The well will be stimulated by multi-stage fracturing using a slickwater fluid.							
18) Total area to be disturbed,	including roads, stockp	ile area, pits, etc, ((acres):	2.18 ac **pac	d already built**		
19) Area to be disturbed for w	el ned only, less access of Oil and Gas	road (acres):	1.83 ac **pa	d already built**			

NOV 06 2013

WV Department of Environmental Protection

20)

CASING AND TUBING PROGRAM

ТҮРЕ	Size	New or Used	Grade	Weight per ft.	FOOTAGE: For Drilling	INTERVALS: Left in Well	CEMENT: Fill -up (Cu. Ft.)
Conductor	20"	New	H-40	94#	80'	80'	Grouted to surface 120 cu. ft.
Fresh Water	13-3/8"	New	J-55	54.5#	500'	500'	Cement to surface 350 cu. ft.
Coal	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Intermediate	9-5/8"	New	J-55	36#	2,755'	2,755'	Cement to surface 860 cu. ft.
Production	5-1/2"	New	P-110	20#	14,210'	14,210'	Cement to 2000 ft, 3255 cu. ft.
Tubing					7		
Liners							

Dn1+6-14-17

ТҮРЕ	Size	Wellbore Diameter	Wall Thickness	Burst Pressure	Cement Type	Cement Yield
Conductor	20"	26"	.876"	1530 psi	Class "A"	1.3 cuft/sk
Fresh Water	13-3/8"	17-1/2"	.76"	2730 psi	Class "A"	1.29 cuft/sk
Coal	N/A	N/A	N/A	N/A	N/A	N/A
Intermediate	9-5/8"	12-1/4"	.704"	3520 psi	Class "A"	1.29 cuft/sk
Production	5-1/2"	8-1/2"	.722"	12,640 psi	Class "A"	2.42 cuft/sk
Tubing						
Liners						

PACKERS

Kind:		Bacelved
Sizes:		Received Office of Oil & Gas
Depths Set:		8 2013

21) D	escribe centralizer placement for each casing string.								
Co	nductor - None								
Fre	Fresh Water - 1 bow spring centralizer 10' from shoe, 1 bow spring centralizer every 4 joints to surface Intermediate - 1 bow spring centralizer 10' from shoe, 1 bow spring centralizer every 3 joints to surface Production - 1 spiroglide centralizer 10' from shoe, 1 spiroglide centralizer mid joint on second joint 1 spiroglide centralizer every joint to 45 deg, 1 bowspring centralizer every other joint to KOP, double bow spring								
Inte									
Pro									
1 s									
cei	ntralizers every fourth joint to 2000'.								
_									
22) D	Describe all cement additives associated with each cement type.								
Co	onductor - None								
Fre	esh Water - Class A Cement with 3% Calcium Chloride								
Int	ermediate - Accelerator (CaCl2), Expansion / Thixotropic (W-60), Retarder (HR-7)								
Pro	oduction (lead) - Gel / Extender (Bentonite), Fluid Loss / Gas Migration (CFL-117), Retarder (HR-7), Defoamer								
Pro	oduction (tail) - Gel / Extender (Bentonite), Fluid Loss / Gas Migration (CFL-117), Retarder (HR-7), solubility								
en	hancer (for acid solubility)								
**	Note** Names and types of additives may vary depending on vendor availability								
23) P	roposed borehole conditioning procedures.								
Co	onductor - Circulate clean								
Fre	esh Water - Circ. hole clean at TD, Fill casing with water, Pump 20 bbl water, 25 bbl gel spacer, and 5 bbl water								
Int	termediate - Circ. hole clean at TD, Fill casing with water, Pump 20 bbl water, 25 bbl gel spacer, and 5 bbl wate								
Pr	oduction - Circ. hole clean at TD, Pump 50 bbl tuned spacer, 5 bbl water								
**	Note** tuned spacer is a combination gelled / weighted mud flush spacer, can be substituted with alternating								
ge	elled spacers and weighted mud flushes. Borehole conditioning will be dictated by hole conditions.								

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Office of Oil and Gas

OCT 25 2013

WV Department of Environmental Protection

103-02927

**Statoil					N	larce	llus -	Dri	lling We	ell	Schem	atic 103-0	1292	7 -
Well Name: Field Name: County: API #:	Green D Marcellu Wetzel				-	BHL: SHL:	H2S: Op Area: X =	September 1	GLE (ft): 1 RKB (ft): 2 3.66 Y= 1	,476 2 4408	436.08 599.79	TVD(ft): 7,623 TMD(ft): 14,210 Profile: Horizontal AFE No.: 000000000		
Formations & Csg Points	MD	Depth, f	t SS	Form. Temp. (F)	Pore Press. (EMW)	Frac Gradient (EMW)	Planned MW		Measure Depth		Program	Det	ails	
Conductor	80	80	1,418	-	_	-	-		80					20" Conducto
,											Profile: Bit Type: BHA: Mud: Surveys: Logging: Casing: Centralizers:	Vertical Flat bottom hammer bit Air Hammer Air Singel shot none 13 3/8 in 54.5 # J-55 BTC set @ · 1 every 4 joints 15.8 ppg Halliburton BondCem™ sks	~ 500 MD/500 TV	
											Potential Drilling Problems:			
Casing Point	500 Ap	500 oproximat	998 e fresh wa		208'	-	Air/ Mist		500		Profile: Bit Type: BHA: Mud:	Nudge for anticollission PDC Directional Air and load hole with 10 ppg SOE		" Intermediat
Red Rocks	1,676			-	-	-			æ		Surveys: Logging: Casing/Liner: Liner Hanger: Centralizers:		2755ft MD/2750 f	ft TVD.
Big Injun	2,541										Cement:	15.8 ppg Halliburton BondCem™ sks	with 0.35% HR-7	(retarder) ~400
Big Injun (Base)	2,700			•	-	•					Potential Drilling Problems:	William Control		
Casing Point	2,755	2,750	-1,252	82	, Su	>15 Y) Y-1/3	10.0	<u> </u>	2,755		FIT/LOT: 16.0 Profile: Bit Type: BHA: Mud: Surveys: Logging: Casing/Liner: Liner Hanger:	Horizontal; KOP@ 3500' with a 3.8 1/2" PDC Directional Assembly (Steerable N Air/Mist to KOP and SOBM to TD MWD + GR Mud Logging the whole interval	5 deg/100 ft build, Motor) + MWD w/	GR
KOP1	3,500	3,500					700				Centralizers: Cement:	70% stand-off in OH section Single slurry design: 15.0 ppg to 2 Halliburton ShaleCem™ ~ 2320 st		
			1,498	105	-		12.0		_		Potential Drilling			
Geneseo Shale		7,360	-5,862	117	-		12.0		_		Problems:			
Marcellus		7,596	-6,098	118			12.0		_		Notes / Comments:			
					-						l		America de Albertala de Al	
Target Top Landing point	9,075	7,613 7,623	-6,115	118	-	-	12.0						TMD: TVD:	14,210 7,623
Target Btm		7,633	-6,135	119	-	- -	-				0	Received ffice of Oil & Gas		
ast Revision Date	e: 05/20/13			-	-	H	- No		ths are referenced		=	8 2013	Cement Outside	Casing

STATE OF WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, OFFICE OF OIL AND GAS

CONSTRUCTION AND RECLAMATION PLAN AND SITE REGISTRATION APPLICATION FORM GENERAL PERMIT FOR OIL AND GAS PIT WASTE DISCHARGE

Operator Name Statoil USA Onshore Properties Inc. OP Code 494505083	
Watershed Crooked Run and Bat Run Quadrangle Littleton 7.5'	
Elevation 1476 County Wetzel District Clay	
Description of anticipated Pit Waste: All drilling will be done "closed loop", there will be no pit or pit waste Do you anticipate using more than 5,000 bbls of water to complete the proposed well work? Yes X No Will a synthetic liner be used in the pit? N/A . If so, what mil.? N/A Proposed Disposal Method For Treated Pit Wastes: Land Application Underground Injection (UIC Permit Number Military Milita	DmH 4-14-13
-If left in pit and plan to solidify what medium will be used? Cement, lime, N/A -Landfill or offsite name/permit number? Meadowfill Landfill - ID# SWF-1032 I certify that I understand and agree to the terms and conditions of the GENERAL WATER POLLUTION PERMIT is on August 1, 2005, by the Office of Oil and Gas of the West Virginia Department of Environmental Protection. I understand the provisions of the permit are enforceable by law. Violations of any term or condition of the general permit and/or other applicable or regulation can lead to enforcement action. I certify under penalty of law that I have personally examined and am familiar with the information submitted or application form and all attachments thereto and that, based on my inquiry of those individuals immediately responsible for obtathe information, I believe that the information is true, accurate, and complete. I am aware that there are significant penaltic submitting false information, including the possibility of fine or imprisonment. Company Official Signature Abd Wahn Bekki Winfree Company Official Title Sr. Regulatory Advisor - Marcellus	at the le law n this nining
Subscribed and sworn before me this 30# day of MAy , 2013 Rece Office of My commission expires Notary Public JUL	eived Oil & Gas 8 2013

BARBARA W. FONTENOT MY COMMISSION EXPIRES July 30, 2014

Property Boundary	Diversion -
Road = = = = = = = = = = = = = = = = = = =	⊆ Spring — -
Existing Fence ———————————————————————————————————	- Wet Spot
Planned Fence//	Drain Pipe
Stream	w/ size in inches
Open Ditch	Waterway — — —
Rock ÇÇÇÇ	Cross Drain
North N	Artificial Filter Strip XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
	Pit: Cut Walls
Buildings	Pit: Compacted Fill Walls
Water Wells (W)	Area for Land Application
Drill Sites	of Pit Waste
Proposed Revegetation Treatment: Acres Disturbed N/A	Prevegetation pH 5.5
Lime 2 Tons/acre or to correct to pl	1
Fertilizer (10-20-20 or equivalent) 500 lb	os/acre (500 lbs minimum)
Mulch 2 Tons	/acre
Se	eed Mixtures
Area I	Area II
Seed Type lbs/acre	Seed Type lbs/acre
67.29% Orchard Grass 40	
19.89% Timothy, 9.87% Kentucky Bluegrass	
2.95% Inert Matter	
Attach: Drawing(s) of road, location,pit and proposed area for land ap	plication.
Photocopied section of involved 7.5' topographic sheet.	
Plan Approved by:	
Comments:	×
	Bassinad
	Received Office of Oil & Gar
Title: Oil + bes Inspected	Date: 6-14-17
Field Reviewed? Yes) No JUL 8 2013

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Water Management Plan: **Secondary Water Sources**



WMP-01429

API/ID Number

047-103-02927

Operator: Statoil USA Onshore Properties Inc.

Green Dot Unit II 3H

Important:

For each proposed secondary water source identified in your water management plan (i.e., groundwater well, lake/reservoir, recycled frac water, multi-site impoundment, out-of-state source), DEP makes no estimation of the availability of water. These sources may prove to be unsuitable water supplies. Please review the following notes:

- For groundwater supply wells, DEP recommends that the operator contact the local health department prior to drilling any new well; and reminds the operator that all drinking water wells within 1,500 feet of a water supply well shall be flow- and quality-tested by the operator at the request of the drinking well owner prior to operation of the water supply well.
- For each proposed multi-site impoundment water source identified in your water management plan (if applicable), DEP will review the withdrawal limits established in the referenced Water Management Plan for current suitability and provide to the operator these limits for each identified intake. Note that withdrawal limits may be modified as necessary based on changing demands upon that water supply.

Multi-site impoundment

Source ID: 23941 Source Name

Jolliffe Centralized Freshwater Impoundment

Source start date:

11/1/2013

Source end date:

11/1/2014

Source Lat:

39.656286

-80.551964 Source Long:

County

Wetzel

Max. Daily Purchase (gal)

Total Volume from Source (gal):

5,880,000

DEP Comments:

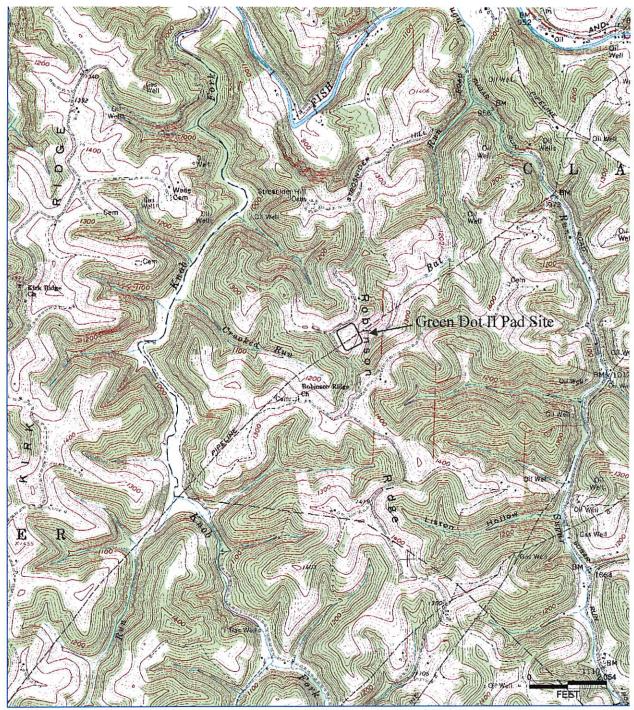
103-FWC-00005

The intake identified above has been defined in a previous water management plan. The thresholds established in that plan govern this water management plan unless otherwise noted.

Reference: WMP-1289

APPROVED SEP 2 0 2013

4.0 Pad Site Topo Map



- o Lease road entrance Lat: 39.682867, Lat: -80.548694
- Lease road entrance is 3.0 mi north of WV 7 on Strosnider Hill Rd. (CR 9/2)

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